

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

|                        |   |                              |
|------------------------|---|------------------------------|
| FANNIE MAE             | : |                              |
|                        | : | Case No. 1:24-cv-1606        |
| Plaintiff,             | : |                              |
| v.                     | : | Judge Bridget Meehan Brennan |
|                        | : |                              |
| HATZ ONE LLC, et. al., | : |                              |
|                        | : |                              |
| Defendants.            | : |                              |

**DECLARATION OF MENDEL STEINER IN SUPPORT OF OPPOSITION  
TO PLAINTIFF’S EMERGENCY *EX PARTE* MOTION FOR IMMEDIATE  
APPOINTMENT OF RECEIVER**

I, Mendel Steiner, duly affirm and declare the following:

1. I am the sole member and manager of Hatz One LLC, Hatz Two LLC, Cleveland 2, LLC, and Cleveland 3, LLC, each an Ohio limited liability company and each a co-borrower (collectively, “Hatz”) under the Loan<sup>1</sup>.

2. I am the sole member and manager of Aven Realty 1, LLC, (“Aven Realty”) a New York limited liability company, which acts as a property manager for various properties I indirectly own through numerous limited liability companies.

3. All regular monthly payments required under the Note have been made since the Loan’s inception in October 2020, except for the inadvertent failure to make a payment in April 2024. On September 30, 2024, at my instruction, a wire was sent to Lender in the amount of \$329,991.08 to cover the April 2024 regular monthly payment and the regular monthly payment for October 2024. A copy of a letter dated October 3, 2024, from Fannie Mae’s counsel, Justin Ristau of Bricker Graydon,

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<sup>1</sup> Capitalized terms not defined in this Declaration have the definitions assigned to them in Plaintiff’s Emergency *Ex Parte* Motion for Immediate Appointment of Receiver and the Memorandum in Support (collectively, the “Motion”).

LLC, to my counsel, Amanda Martinsek of Greensfelder LLP and Joyce Kuhns of Offit Kurman, P.A., acknowledging receipt of the \$329,991.08 payment is attached hereto as **Exhibit 1**.

4. Pursuant to the Loan Agreement, the regular monthly payments under the Note include amounts to be escrowed for payment by Lender of real estate taxes and insurance in connection with the Properties.

5. When the Loan was made in October 2020, liens of record should have been cleared as a condition of Closing and I understood they had been. Aven Realty is investigating the status of liens that Movant contends are still of record as listed on Page 7 of the Motion.

6. I have authorized Aven Realty, through Leo Gold to inspect the Properties and commence repairs identified at ¶¶ 7-11 of the Affidavit of Inna Holodniuk which is attached as Exhibit A to the Motion. My understanding is that Mr. Gold was on-site at the Properties commencing on September 30, 2024, and is providing his own Declaration in support of the Opposition to update the Court on the status of the Properties and repairs.

7. As of today, Hatz has tendered to Fannie Mae, Hatz's current rent rolls and a copy of its current Property Management Agreement with Guardian Investment Co., LLC.

Pursuant to 28 U.S.C. §1746, I, Mendel Steiner, duly affirm, certify, and declare under penalty of perjury that the foregoing is true and correct, to the best of my knowledge, information, and belief.

Dated: October 14, 2024

  
\_\_\_\_\_  
Mendel Steiner



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October 3, 2024

**VIA EMAIL**

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Counsel for Borrower and Guarantor

**NOTICE OF RECEIPT OF POST-ACCELERATION PAYMENT, ADDITIONAL  
DEFAULTS, AND RESERVATION OF RIGHTS**

Re:    Holder:                      Fannie Mae  
      Multifamily Project:    Shaker Heights  
      Loan Number:            1740001278  
      Servicer:                 Greystone Servicing Company LLC

Multifamily Note (the “**Note**”) dated October 30, 2020, executed by Hatz One LLC, Hatz Two LLC, Cleveland 2 LLC, and Cleveland 3 LLC (collectively, “**Borrower**”), to the order of Greystone Servicing Company LLC, a limited liability company organized and existing under the laws of Delaware, (“**Original Lender**” or “**Servicer**”), in the face amount of \$22,645,000.00, which Note was subsequently endorsed by Original Lender and which is currently held by Fannie Mae in connection with that certain Multifamily Loan (the “**Mortgage Loan**”), subject to the terms and conditions of that certain Multifamily Loan and Security Agreement (Non-Recourse) dated October 30, 2020 (the “**Loan Agreement**”) and secured by, *inter alia*, the liens on certain real property and personal property located at 2635 N. Moreland Boulevard, 2621 N. Moreland Boulevard, 2622 N. Moreland Boulevard, 2630 N. Moreland Boulevard, 2636 N. Moreland Boulevard, 2642 N. Moreland Boulevard, 2653 N. Moreland Boulevard, 2805 Ludlow Road, 2822 N. Moreland Boulevard, 2825 N. Moreland Boulevard, 2843 N. Moreland Boulevard, 2851 Hampton Road, 2870 S. Moreland Boulevard, 2880 S. Moreland Boulevard (each in Cleveland, Ohio 44120), and 14101 S. Woodland Road, Shaker Heights, Ohio 44120 (the “**Properties**”), pursuant to that certain Open-End Multifamily Mortgage, Assignment of Leases and Rents, and Security Agreement, and Fixture Filing (OHIO) (the “**Mortgage**”) dated October 30, 2020 and recorded in the Recorder’s Office for Cuyahoga County, Ohio (the “**Recording Office**”) on



November 6, 2020 as Instrument No. 202011060167, which is further secured by that certain Guaranty of Non-Recourse Obligations (the “**Guaranty**”), which was executed by Mendel Steiner (“**Guarantor**”) on October 30, 2020, and which Note, Loan Agreement, Mortgage, Guaranty, and other related loan documents were assigned to Fannie Mae pursuant to the certain Assignment of Collateral Agreements and other Loan Documents dated October 30, 2020 (“**Assignment**”), and which is now identified as Fannie Mae Loan No.: 1740001278.

Dear Ms. Martinsek and Ms. Kuhns:

As you know, this office has been retained to represent Fannie Mae in regard to the above-referenced Loan. We are sending this notice to you in your capacity as counsel of record to Borrower and Guarantor.

**I. Receipt of Post-Acceleration Payment.**

This letter constitutes notice that Servicer has received a post-acceleration payment in the amount of \$329,991.08 (the “October Partial Payment”). This Partial Payment is less than the full amount that has been declared due and owing and is insufficient to cure Borrower’s existing payment default.


**II. Reservation of Rights.**

Fannie Mae and Servicer hereby reserve all of their rights and remedies, both legal and equitable, arising under the Loan Agreement and Loan Documents, including, without limitation, the continuing defaults, Events of Default and personal liability events referenced in the May 1, 2024 Notice of Payment Default sent to Borrower by Servicer, the July 23, 2024 Default and Acceleration Letter sent by this office, or any other default notices or other communications previously sent to Borrower and Guarantor.

Neither this letter, nor any action or inaction of Fannie Mae or Servicer or any of their respective predecessors or successors prior to or after the date of this letter, shall operate as a waiver of (i) any claims asserted in Case Number 1:24-cv-01606 pending in the United States District Court for the Northern District of Ohio, (ii) any other right, power, or remedy of Fannie Mae or Servicer under the Loan Documents, or (iii) any provision of the Loan Agreement or any other Loan Documents.

Please contact me if you have any questions.

Respectfully,



Justin W. Ristau